

SUMMARY - MEETING NO. 319
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
State of Hawaii

July 5, 2007 – 9:00 a.m.

Hawaii Community Development Authority
677 Ala Moana Boulevard, Suite 1000, Conference Room
Honolulu, Hawaii 96813

ATTENDANCE

Members Present: Amanda Chang; Paul Kimura; Jonathan Lai; Theodore Liu (DBEDT); Kay Mukaigawa; Dexter Okada; Glenn Okimoto (for Barry Fukunaga, DOT); Robert Piper (for Georgina Kawamura, B&F); Russ Saito (DAGS).

Kalaeloa Members: Linda Chinn (for Micah Kane, DHHL); Stanton Enomoto; and Evelyn Souza.

Members Absent: C. Scott Bradley; Grady Chun; Michael Goshi; Christopher Kobayashi; Henry Eng (DPP – Kalaeloa Member); and Maeda Timson (Kalaeloa Member).

Others Present: Daniel Dinell; Melvin Nishimoto (Deputy AG); Pearlyn Fukuba; Arnold Imaoka; Neal Imada; Richard Kuitunen; Cal Machida; Tesha Malama; Deepak Neupane; Teney Takahashi; and Jill Sugihara (also, see Meeting Attendance Record).

I. ROLL CALL

Vice Chairperson Kimura stated that Chairperson Goshi was out of town; therefore, he would be conducting the meeting. The meeting of the Hawaii Community Development Authority (HCDA) was called to order on July 5, 2007, by Vice Chairperson Paul Kimura at 9:05 a.m. with the following roll call:

Vice Chairperson Kimura	Present
Member Chang	Present
Member Lai	Present
Member Liu	Present, arrived at 9:33 a.m., left at 11:42 a.m.
Member Mukaigawa	Present

Member Okada	Present
Member Okimoto	Present
Member Piper	Present
Member Saito	Present
Member Chinn	Present, left at 10:54 a.m.
Member Enomoto	Present, left at 10:54 a.m.
Member Souza	Present, left at 10:54 a.m.

MATERIALS DISTRIBUTED

1. Agenda for July 5, 2007 Meeting;
2. Summary of Workshop of May 25, 2007;
3. Summary Minutes of Authority Meeting of June 6, 2007;
4. Report of the Executive Director;
5. Kalaeloa Status Report;
6. Action Item: Selection Process for a New Executive Director;
7. Information Item: Subcommittee Report on Kewalo Basin Administrative Rules;
8. Executive Session: Review the Status of the Lawsuit, including possible Mediation Action, in the Matter of the American Brewery Building, Honuakaha Housing Complex, Pursuant to Sections 92-5(a)(4) and (8), Hawaii Revised Statutes (Confidential Material not for Public Review);
9. Action Item: Adopt the Small Business Task Force Finding and Recommendations and Authorize the Executive Director to Implement the Recommendations;
10. Action Item: Approval to Authorize the Executive Director to Assess the Draft Kakaako Community Development District Mauka Area Plan and Rules Pursuant to Chapter 343, Hawaii Revised Statutes; and
11. Action Item: Approval to Authorize the Executive Director to Extend the Agreement to Exclusively Negotiate with the Office of Hawaiian Affairs for Lot 1 of the Kakaako Makai Area for the Development of its Headquarters and a Hawaiian Cultural Center.

Vice Chairperson Kimura introduced newest Members Stanton Enomoto and Dexter Okada and announced that Christopher Kobayashi, also a new member, was out of town and unable to attend the meeting. He invited Members Enomoto and Okada to say a few words.

Member Enomoto stated that it was an honor to serve on the Authority as the Native Hawaiian Cultural Specialist for the Kalaeloa Community Development District. It is a nice homecoming for him since Member Enomoto was on staff at HCDA and now will be working with Pearlyn Fukuba and Tesha Malama at the policy level to move the district forward. Member Enomoto clarified that although he works for the Office of Hawaiian

Affairs (OHA), he does not represent OHA on the Authority; his seat is strictly as the representative for the cultural natural resources for Kalaeloa. He also clarified that he would be transferring the management of the OHA Headquarter and Cultural Center project to Dr. Jonathan Scheuer, Director of the Land Management Division at OHA. Thus, there would be a clear separation as to what he brings to HCDA.

Member Okada stated that most of the people in the room already knew him. Like Member Enomoto, he is now on the other side of the table. Member Okada hopes to bring his experience to the Authority and is looking for different and creative solutions to issues facing HCDA.

Vice Chairperson Kimura commented that HCDA would be losing Executive Director Dinell on August 3, 2007, when Mr. Dinell returns to the private sector. On behalf of the Authority, Vice Chairperson Kimura thanked Mr. Dinell for his leadership, vision, time and effort invested in HCDA over the last four years. He wished him the best in his future endeavors.

II. ITEMS FOR ACTION – DISCUSSION/DECISION-MAKING

1. Election of HCDA Officers for FY 2007-2008

Vice Chairperson Kimura opened the nominations for Chairperson, Vice Chairperson and Secretary.

Member Enomoto stated that in light of Executive Director Dinell's impending departure, he suggested providing stability within the organization at the Authority level. Therefore, he moved to retain the existing officers - Chairperson Michael Goshi; Vice Chairperson Paul Kimura; and Secretary Jonathan Lai. Member Mukaigawa seconded the motion.

Vice Chairperson Kimura asked whether there were any other nominations.

Member Piper asked whether Members were satisfied with the terms of service and asked whether any of the officers' terms were expiring.

Mr. Dinell explained that Chairperson Goshi's term expires on October 12, 2007. Mr. Dinell reported that Chairperson Goshi indicated that he would be willing to continue to serve as Chairperson until October. At that time, Chairperson Goshi would have served on the Authority for eight years and his term would expire. HCDA bylaws provide that should there be a vacancy in any officer's position, an election for that seat would be held. As Member Enomoto mentioned, the thought was to enjoy the stability and leadership of Chairperson Goshi at least until October.

Member Saito asked that with the current nominations what provisions are there if a Member vacates his/her position for another position. He stated that traditionally the Vice Chairperson moves into the Chairperson's position and he asked what complications would arise should that happen.

Mr. Dinell responded that there would be no complications. The bylaws state that the Vice Chairperson serves in the capacity of the Chairperson during his absence. It is not an automatic move from Vice Chairperson to Chairperson. An election would be held at the time the Chairperson leaves office for his vacancy. In the event one of the other two existing officers takes over as Chairperson, there will be a need to fill that vacancy as well.

Member Saito commented that a likely scenario in October would be to have another slate of officers.

Mr. Dinell responded that if there are vacancies in each officer position, there could be a new slate of officers or there could simply be a new Chairperson.

Vice Chairperson Kimura suggested that since there was only one nomination for each position, the nominees should be voted as a slate. The vote for the slate was taken and the nominations passed 11 to 0 with 1 excused (Member Liu).

Vice Chairperson Kimura congratulated all the officers and commented that although Chairperson Goshi was absent, Vice Chairperson Kimura knew that Chairperson Goshi looked forward to continuing his service until his term expired as he would like to resolve some issues before he leaves office. Thus, Vice Chairperson Kimura thought it was good to have Chairperson Goshi continue in that capacity.

Vice Chairperson Kimura continued to conduct the meeting in the absence of Chairperson Goshi.

III. APPROVAL OF MINUTES

2. Summary of Workshop of May 25, 2007

Vice Chairperson Kimura asked whether there were any corrections to the summary of the Workshop of May 25, 2007. There were none. For voting purposes, Vice Chairperson Kimura stated that only Kakaako Members could vote on this item. It was moved by Member Saito and seconded by Member

Piper to approve the summary as written. The motion passed 8 to 0 with 1 excused (Member Liu) and excluding Kalaeloa Members.

3. Minutes of the Regular Meeting of June 6, 2007

Vice Chairperson Kimura asked whether there were any corrections to the minutes of the June 6, 2007 meeting. There were none. For voting purposes, Vice Chairperson Kimura stated that all Members could vote on this item. It was moved by Member Souza and seconded by Member Piper to approve the minutes as written. The motion passed 11 to 0 with 1 excused (Member Liu).

IV. REPORT OF THE EXECUTIVE DIRECTOR

Daniel Dinell noted that the full Executive Director's report was enclosed in the packet distributed to the Authority Members, and highlighted and updated the following:

- A community open house was held on June 19, 2007, at Ward Warehouse to present to the public the draft Mauka Area Plan that the Authority reviewed at the May 25, 2007 Workshop. Various forms of publicity were used which resulted in a turnout of about 100 people. Exhibits on the Plan were displayed for the public to view and discuss with HCDA staff and project consultants. A presentation on the proposed Reserved Housing Program was also provided as that program was incorporated into the draft Mauka Area Plan. Staff would be requesting approval to assess the draft later in the agenda.
- Work of the Kakaako Makai Advisory Working Group (AWG) continues. A meeting was held on June 25, 2007, at the John A. Burns School of Medicine (JABSOM). A press release was sent out to the media, legislators and interested stakeholders on the results of this meeting, the purpose of which was to discuss the proposed bylaws on how the AWG would function and selection of the facilitator for Phase II of the process. Mr. Dinell highlighted the key aspects:
 - The AWG's Facilitator Selection Committee recommended retaining the team of Dr. Karen Cross and Dr. Kem Lowry from the University of Hawaii's Spark M. Matsunaga Institute for Peace to serve as facilitators.
 - Comments from those in the attendance were generally in support of the committee's facilitator recommendations. The next step will be bringing the recommendation, coupled with a budget and a summary of the facilitators' background and experience, to the Authority for

review. Staff will be working on the procurement and negotiation issues so as to adhere to State procurement law.

- The recommendations of the group's Bylaws Committee generated considerable discussion. Full details are posted on the HCDA website, but a key point is that HCDA staff continues to convey to the AWG the Authority's desire for the process to be open, transparent, and inclusive.
- Related to the Makai Area is the demolition of the old mammal lab. The area is an important connection between Kewalo Basin Park and Ala Moana Beach Park and the continuation of the shoreline promenade/lei of green was discussed and approved by the Authority in June 2005. Demolition plans are expected to be ready for staff review by mid-July. Staff's intent once demolition is completed is to fence the area and work with the AWG on the vision for that particular area. It is hopeful that it will be to connect the parks and create recreational and other amenities for the public.
- No problems were reported for the Fourth of July celebration in Kakaako parks except for the large amount of trash. Security was augmented throughout the day.
- HCDA received a notice from the City and County of Honolulu (City) to clean-up vegetation in Heeia Stream, where HCDA owns land. Staff is soliciting bids and working on securing a permit from the U.S. Army Corps of Engineers to perform the necessary stream clean-up work.
- No new update on the painting or mosaic work of the Hawaii Children's Discovery Center smoke stack. Staff is currently working on a cost estimate for the job and will bring that information back to the Authority at a future date.
- Staff continues to compile a list of persons interested in receiving e-mail updates with links to recent and new postings on the HCDA website.
- A community bulletin board was placed at Point Panic. It has a Plexiglas covering which allows the information to be slid in about surf meets or other activities. A similar community board had already been placed at Kewalo Basin Park. The Asset Management team thought this would be a good way of having notices displayed as opposed to having notices posted on trees. Mr. Dinell thanked the Asset Management team for doing this on its own accord.

- Kakaako Waterfront Park has been featured as a great place to picnic and stroll on CNN.com. Since this is a national on-line publication, Mr. Dinell stated that it was nice to receive that kind of recognition.
- Since Mr. Dinell will be leaving HCDA on August 3, 2007, as part of his transition two informal meetings are being organized with direct reports to key legislators. Separate meetings are scheduled for the House and Senate. Chairperson Goshi has been invited to attend both meetings. Once the dates are confirmed, staff will invite Member Okada who was nominated by the House to attend the Senate briefing; and Member Kobayashi who was nominated by the Senate to attend the House briefing. The purpose of the meeting is to ensure good communication on the various initiatives underway and underscore that even though Mr. Dinell is departing, the various initiatives are in good hands.
- A written update was provided to the June 26, 2007 meeting of the Ala Moana/Kakaako Neighborhood Board. Mr. Dinell announced the new Chair is former Representative Anne Stevens. Mr. Dinell stated that the staff looks forward to working with her.
- Mr. Dinell will be on vacation from July 23 through July 27, 2007. In his absence, Chong Gu, Administrative Services Officer, will be in charge of the office.
- Staff will be conducting their quarterly community project on Wednesday, July 11, 2007, to spruce up the Kalaeloa field office and the surrounding landscaping. This is the third community project staff has done since completing its Strategic Plan.
- The next Authority meeting will be held on Wednesday, August 1, 2007.

Vice Chairperson Kimura asked Members if there were any questions. There were none.

V. ITEMS FOR INFORMATION

A. Kalaeloa Status Report

Tesha Malama summarized the Information Item distributed to the Authority concerning this matter.

Ms. Malama welcomed Members Enomoto and Okada and stated that she looked forward to working with them in moving Kalaeloa forward. She is working with Townscape Inc. to put together the Kalaeloa Community Development Administrative Rules. It is anticipated that a request to the Chairperson to designate a subcommittee to join the Kalaeloa Advisory Team to help develop the rules would be brought before the Authority in the near future.

Ms. Malama gave an update on public safety and security issues. On June 28, 2007, the Kalaeloa Public Safety group met specifically to address the revitalization of the shoreline to address the homeless issues. The group is putting together an action plan. Two attorneys from Navy Region Hawaii were present to address jurisdictional issues in Kalaeloa. Once the action plan is firmed up, more information will be brought to the Authority.

At the Kalaeloa Community Network group meeting, Ms. Malama announced that the Authority approved the entry-way beautification project. The beautification project will be held on Wednesday, July 18, 2007. Participating from the area will be Kapolei High School, U.S. Coast Guard and other stakeholders. Pearlyn Fukuba met with the Department of Transportation to obtain permits. Work is going to start at 9:00 a.m., after the traffic dies down, and end before 2:00 p.m., when the traffic usually starts up.

Ms. Fukuba continues to serve on the Governor's Leeward Coast Initiative Project. The group submitted their findings on June 18, 2007, and is in the process of obtaining feedback.

Staff will be working with the Department of Hawaiian Home Lands (DHHL) and the Hawaii Public Housing Authority (HPHA) and the U.S. Navy to formalize the Base Realignment and Closure (BRAC) lands conveyance. The BRAC team will be in Honolulu the week of July 23, 2007. Staff has been meeting with a series of agencies regarding the land conveyance issues. A combined meeting will be held on July 26, 2007.

Vice Chairperson Kimura asked whether Members had any questions.

Member Enomoto asked whether HCDA has been involved in any discussion or coordination with DHHL and the racetrack group to establish a facility in Kalaeloa. If there hasn't been any discussions, Member Enomoto encouraged some dialogue on what kind of effect the proposed racetrack may have on the cultural and natural resources on the site. A portion of the site was already disturbed by the U.S. Navy, where they stored their ammunition; but another portion of the site, which is at the corner of Coral Sea and Tripoli Roads, is relatively undisturbed. There should be a survey or assessment to ensure that

there won't be any impacts to those sites and all those things should be considered as part of the decision-making process.

Ms. Malama responded that there hasn't been any formal discussion, only casual preliminary discussions. Those issues were brought up in informal discussions and she will be setting up a formal meeting. Ms. Malama asked whether Members Chinn or Souza had anything to add.

Member Chinn replied that DHHL is in negotiations to issue a month-to-month permit for the short-term use of the land for the proposed racetrack. The concerns that Member Enomoto brought up were addressed with the group and the group is responsible to conduct due diligence before they start.

Member Souza added that Shad Kane agreed to be the racetrack's cultural advisor. The group is aware that iwi are located across the street and hopefully there won't be any on the site.

Mr. Dinell stated that staff would meet with the principals involved and provide a status update next month on the project.

Member Saito commented that two groups were mentioned and asked whether there were two racing groups.

Ms. Malama responded that the two groups she mentioned earlier were the Kalaeloa Community Network group and the Kalaeloa Public Safety group and there would be an additional advisory team working on the administrative rules.

Member Saito asked which racetrack groups were involved in those discussions.

Ms. Malama replied that specific to the racetrack, the Save Our Race Track (SORT) group is in discussions with DHHL.

Vice Chairperson Kimura asked whether there were any further questions. There were none.

B. Kalaeloa Navy Report

Tesha Malama explained that Lynn Tanaka of Navy Region Hawaii was unable to attend the meeting; however, Janice Fukawa was present. Ms. Fukawa is a planner for the U.S. Navy and presented the U.S. Navy update.

Ms. Fukawa reported that the BRAC PMO site visit is scheduled for the week of July 23, 2007. HCDA staff has been arranging meetings for the July 26, 2007 meeting with Doug Gilkey and Ann Klimek to work on conveying the BRAC parcels.

The U.S. Navy is conducting an environmental assessment on the brokered parcels.

Ms. Fukawa reported that the U.S. Navy has experienced a sharp rise in thefts at the White Plains beach parking lot and cottages over the past month. The U.S. Navy is working with HCDA's Kalaeloa Public Safety group on jurisdictional issues.

Ms. Fukawa provided an update on the short-term leasing program.

- For in-kind grounds maintenance, a one-time general clean-up, which included tree trimming and cutting back bushes along the road sides, was completed and inspected on June 22, 2007.
- Parcel B4-14, the Battery Storage Warehouse located on the corner of Roosevelt and Midway Avenues was subleased to SWR, Inc., but was subsequently cancelled. Ford Island Properties terminated the sublease. The U.S. Navy will receive back rent. The fence along Nassau Road would be removed in July 2007.
- Parcel B4-3, the Kona Breeze Pool and Powerpoint Fitness Center is awaiting execution of sublease with Hope Chapel, which will use the facility for worship services, administrative offices, youth center, and day care center. The estimated occupancy is July 2007.
- Parcel B4-21, the Autoport or Building 1924, will be subleased to Responsive Caregivers of Hawaii, which will be providing Adult Day Care Program. The estimated occupancy is July 2007.
- Parcel B4-25, the Chapel or Building 5, the lease was executed on May 1, 2007. Awaiting execution of sublease with Vineyard Christian Fellowship. The estimated occupancy is July 2007.
- For Parcel B4-1 and B4-2, Coral Rose land parcels, there were no interested parties for the entire acreage. B4-1 has 50 acres and B4-2 has 30 acres. Both parcels have been subdivided into smaller lots.

- Parcel B4-15, Warehouse 1142, current lease is with Ford Island Ventures until October 31, 2007. After that time, it will be added to the short-term leasing program through Ford Island Properties and Colliers, Monroe and Friedlander.

Vice Chairperson Kimura asked whether there were any questions.

Member Enomoto asked Ms. Fukawa what was the timing on the release of the draft environmental assessment on the brokered parcels.

Ms. Fukawa responded that she did not have that information, but the answer would be provided at the next meeting.

Member Souza commented that there had to be a correlation between the Navy experiencing break-ins at the officer's cottages and the amount of people living on the beach. She was there on a weekend with a camping permit, but couldn't get to the permitted site because people had taken up residence there. She asked about how to get those people off the beaches, and asked whether the Navy was doing anything about it. She stated that there has to be a time when somebody says that is enough because it has gotten to the point of being dangerous and confrontational. Member Souza stated that she appreciates the Public Safety group, but she doesn't see any progress in getting those people off the beaches. She asked whether the Navy had any plans to help with the situation.

Ms. Fukawa replied that she was sorry that she could not answer the question. She will relay the concern to Lynn Tanaka, who has been working with the Public Safety group on this issue and have her report back to the Authority at the next meeting.

Member Souza commented that Member Timson mentioned that there were two-story structures there and she is correct.

Mr. Dinell asked Ms. Malama whether she could provide additional information.

Ms. Malama stated that the Public Safety group consisting of the Navy Security and Federal Fire are all committed to addressing those issues. For the last six months the group has been meeting and discussing the issue. They are now moving toward the action phase. In addition to the Navy attorneys present at the last meeting, the group will be requesting City and County Director Morikawa to address the community services issues and have a commitment on the park rules. The Admiral would support any effort, but the Navy would not take the lead. Staff is working on a coordinated effort before

coming out with the specifics of what the ideas are. More information on the particular issue, date and timeframe will be given once that has all been figured out.

Member Souza asked when is the next Public Safety group meeting.

Ms. Malama replied that the group usually meets the last Thursday of the month.

Member Souza asked whether the group meets at the Honolulu Police Department Kapolei station. She used to be able to attend those meetings, but her schedule has not permitted it. A few months ago the issue was about copper thefts, and now that the copper is gone, there is a different problem that needs to be addressed.

Ms. Malama responded that there was a decision to hold the meeting on July 19, but there hasn't been a confirmation. She would send an e-mail to Member Souza with the information.

Member Souza commented that Pearlyn Fukuba has worked tirelessly at that effort and wondered whether she could invite some elected officials because they are instrumental in making the necessary laws.

Member Okada asked whether the Navy cottages were on the Navy property.

Member Souza stated that the camping area is a huge stretch on the beachfront and she is not sure who owns it, but it used to be the State.

Mr. Dinell clarified that the Navy cottages are on Navy land while the beach is owned by the U.S. Navy with the City and County having a license to use it. This is why the U.S. Navy is bringing in two attorneys because of jurisdictional issues relative to enforcing the existing laws. For instance, the City licensed campground is closed on Wednesdays and Thursdays. There should be no camping allowed since there are existing rules on the books where HPD could cite people for camping. That should take away the permanence of the structures. People could get a permit from Friday to the following Wednesday morning, but the point is there wouldn't be people there seven days a week. However, the City has made it clear that they don't intend to enforce the rules unless there is a place for these people to go. That goes back to Ala Moana Park when the City went in with park closures and there was no plan to receive the homeless. That is why there is a lot of agency coordination required for this to be successful and that is what staff is aiming to do. Since HCDA has no ownership interest, HCDA's role as the planning entity for Kalaeloa is as the facilitator to bring the agencies together, which is

what the Public Safety group is about. The message that staff is hearing is enough talk and a desire to see some action.

Member Piper commented that he has been on the Authority since January and has heard Kalaeloa Members talk about these people who on are the beaches and who are not interested in services. So it might not be accurate for the City to hold up on moving forward based upon the fact that there is no place for these people to go because they don't want the services; they want to run wild. There is a definite clash between the people who have a valid and proper right to use the facility and the people who are abusing that privilege. Ms. Malama and the group need to step up the ability to facilitate and get people to act. Member Piper has heard Member Timson talk passionately about the problem and senses her frustration as well as everyone else's frustration. He thought that HCDA should move aggressively as possible because nobody else is. In the future, he would appreciate a written report because there were a lot of things shared and it would be easier for the Members to prepare.

Ms. Malama agreed with everything the Members shared. The Mayor is reluctant to move and what the Public Safety group found was that if the Mayor was reluctant, then the Admiral is reluctant, so the group is working diligently on an action plan to bring before the Authority. The Public Safety group meeting was held after the report had been sent to Members so it will be in the next report. The group will be using Maili Beach as a model. That took a coordinated effort of the agencies that served the homeless in the area along with HPD, the State, and the different shelters along the area. Staff hears what Members are saying and will continue to move toward action.

Member Souza commented that there is a correlation between the increase of population at White Plains with the cleaning of Maili Beach. The people just shifted over. So it is the same people.

Vice Chairperson Kimura asked what would be the game plan to make the beach safe and get rid of all the illegal structures.

Ms. Malama stated that the Navy is very committed to assisting the effort.

Vice Chairperson Kimura asked whether bulldozers were needed to clear the beaches or what kind of enforcement was needed.

Ms. Malama stated that she didn't want to get into the details because the group was still discussing the plan and that she would rather provide the details in a written report. However, to give an idea she mentioned that the group plans to remove the brush and hau from the beach site because people

with warrants live in that area and the service teams are afraid to approach them. Beside physical clean up and removal of the structures, that has to be coordinated with people who service the area and will be passing out flyers to give them 30 days notice. Once the area is cleaned, the beach would be shutdown for a timeframe to renovate the area. DOT has said that they support it. There is also some discussion about cattle gating Coral Sea Road, similar to Kualoa Beach Park, if the park patrons have permits they can go in and the gate closes. There is discussion about where the homeless people will go so there is talk about Building 36. After all of that happens, to maintain the area, the Authority might have to approve some funding to hire security to check the permits. A comprehensive plan will be worked on in the next two to three months.

Member Saito commented that the Department of Accounting and General Services (DAGS) has been involved in the homeless situation. Those who are willing to follow the rules will move into the shelters and transitional housing. But the people who don't want to follow the rules will just move into another area. So it is a coordinated effort that is way beyond HCDA.

Member Souza stated that some of those people who choose to live on the beaches have warrants against them. They are on the run and there is no way of getting those people out. She is concerned that potentially something bad will happen.

Ms. Malama stated that as part of the comprehensive plan to address Member Souza's concern, there has been discussion to get the American Civil Liberties Union (ACLU) at the table to discuss the different types of possibilities. The Public Safety group is discussing the possible laws or ordinances that need to be in place and that needs to be communicated to the elected officials.

Member Liu commented that it would take two or three months to develop a game plan and asked how long it would then take to implement.

Ms. Malama replied that the implementation would take about the same amount of time because there is a need to get everybody to buy-in to the steps and that hasn't happened yet. Since the City felt that Maili Beach was a success for them, the group will use that as a model.

Member Liu expressed his concern that other Members are saying that something bad would happen sometime soon. Ms. Malama mentioned that at some point there might be a need to hire security after the plan is implemented. There seems to be a situation which could escalate, and Member Liu asked whether there was a way to adopt something in the interim which could strike a public safety and access balance, perhaps hiring security

at this point to minimize the prospect of something negative occurring. He asked whether HPD would be involved.

Ms. Malama responded that HPD and Navy Security are part of the Public Safety group and they are willing to address the day-to-day issues; however, the Mayor and the Admiral don't want to remove people without an actual plan.

Member Liu stated that it is not about removing people. His concern was between now and the plan, something bad might happen. He wondered whether having security around when members of the community want to use the beach would help decrease the chances of a confrontation. If something happens in Kalaeloa, nobody is going to say it is the City and County or the Navy, but HCDA.

Mr. Dinell stated that he wouldn't render a legal opinion about liability, but agreed there may be perception that HCDA is responsible even though it isn't.

Member Liu commented that it would be the perception of HCDA's responsibility because of our attempts to manage Kalaeloa.

Mr. Dinell suggested looking at the action plan and figuring out what the short-term actions and long-term actions are and running them in parallel. For instance, there are people with outstanding warrants there, which is a law enforcement issue. No security firm would be able to do anything. But if HPD or Navy Security, who have cross jurisdictional assistance, enforce the warrants and attack the problem head on, that has nothing to do with the homeless, but is a law enforcement issue.

Member Piper thanked Ms. Malama for her efforts being that she is new. In his opinion this is a broken window for Kalaeloa and the Authority can't expect to attract decent lessees for the properties nor can anyone buy-in to the vision and dream unless the broken windows are replaced. If the Authority is serious about the vision for the area, then the Authority cannot allow it, the Authority must keep pushing through. For those who are hiding out in the bushes, that is law enforcement's job; perhaps the police or sheriff should get together and coordinate. If there are existing City and County rules that says on this day the park is closed for cleaning, then it should be done and on that day it would be great to have the sheriffs out there and running their warrants at the same time. Member Piper stated that if there are people with warrants, the group should be talking to the police rather than the ACLU.

Vice Chairperson Kimura commented that he thinks it is a serious problem and that the Authority needs to do something. An ideal situation would be if

HCDA coordinates between the State, City and Navy and gets everybody to buy-in to the plan.

Member Piper added that political representatives in the area should also be included.

Vice Chairperson Kimura asked whether HCDA could take the lead.

Mr. Dinell replied that HCDA's role, in part, is bringing people together. However, there is a need to create a sense of urgency. Staff will work on things that can be done, such as law enforcement action.

Member Okada stated that it has been mentioned that something bad will happen soon; he would hate to see some kind of confrontation happen in the community.

Member Souza commented that the confrontation would be with the people occupying the park. It scares her that there are so many homeless people there. If there were a fire there, it would kill hundreds, because it is too narrow to get out. So besides the legal issues, there are safety issues. Even if there were facilities available, some of these people wouldn't want to go. She urged the Members to go to the camping grounds and take a look for themselves.

Member Saito stated that there should be a motion to direct staff to assemble the players and initiate some type of action.

Mr. Dinell suggested that staff take all this into consideration and put it into an action plan and present it at the next Authority meeting. At this time, it is uncertain about the resources that would be needed, but it would be brought to the Authority for action.

Member Liu reiterated that the action game plan should be ready by the next Authority meeting and not in three months.

Vice Chairperson Kimura stated that staff and Ms. Malama would come up with a strategy by the next meeting.

Member Saito stated that there is some urgency. The things that can be completed without a plan should be done. He would like to see that type of motion on the table; for something to get done with the Authority supporting it.

Vice Chairperson Kimura asked what the Authority could do.

Member Liu asked Member Piper whether the staff could go to the sheriff.

Member Piper stated that the sheriff could probably stand ready for a coordinated effort with the police. The police should go in and enforce the county code and the sheriffs would be standing by with their warrants division, deputies tagging people and taking them in. Member Piper suggested sending a letter from the Chairperson to the Mayor with a copy to every political representative connected to that area detailing HCDA's concerns and requesting enforcement of the current code. It would show that the Authority had knowledge of what was going on and did its best with regard to having the players who have an interest act. What Member Piper heard from Member Saito was to take the steps that HCDA is able to. HCDA does not have a police force, or the ability to enforce the county code, but the Mayor does and all the Authority can do is write a letter stating what the problem is and requesting action on their part. As far as the Sheriff's department, once it is planned they would probably be open to a coordinated effort. But the trigger is the current City regulation.

Vice Chairperson Kimura asked whether Member Piper thought that if the City acted then everybody would follow.

Member Piper replied that is how he saw it and as the owner of the property, he would expect the Navy to say that they are waiting for the licensee to act.

Mr. Dinell consulted with the Deputy Attorney General and since there wasn't an action item on the public agenda, the Deputy Attorney General advised the Authority to direct the staff to do this and have it on the record. Staff will think through the plan because there are multiple audiences, the Mayor and the Admiral of the Navy Region Hawaii. As Member Piper suggested, lay out the problems, cite the existing laws and request enforcement of the violations. The value of the Public Safety group is that it is at the working level with the Major of the HPD in the area. Maybe if the message was to go in both directions, top to bottom and bottom to top, it would be most successful.

Member Saito stated that there were a couple of resolutions. The first was to direct the Chairperson to send a letter to the Mayor stating the Authority's concerns and suggestions on actions to be taken with additional direction to staff to have the letter sent to the working level. Member Saito would entertain a motion to at least have the letter sent out.

Mr. Dinell stated that he didn't think a motion was needed.

Deputy Attorney General Mel Nishimoto stated that if it is the consensus of the Authority, they could just direct staff to do it.

Member Liu stated that staff should organize the Authority Members to visit the Mayor.

Mr. Dinell replied that staff could do that as well. The Sunshine Law allows the Chairperson to designate a subcommittee to do that and then the subcommittee would report back to the full Authority. That is necessary because there can't be more than two Authority Members to visit the Mayor to discuss this issue. A subcommittee might be helpful because then it is a solid front not just the staff.

Vice Chairperson Kimura asked for a motion to form a subcommittee.

Mr. Dinell stated that a motion was not needed. The Chairperson could just designate the subcommittee by asking for volunteers so long as it is less than nine Members.

Vice Chairperson Kimura asked whether there were any volunteers.

Members Enomoto, Okada and Souza volunteered.

Member Saito asked whether it should be a subcommittee or an investigative committee to form responsibilities without public noticing of meetings. He understood that subcommittees are subject to Sunshine Law.

Deputy Attorney General Mel Nishimoto stated that it could be either an investigative committee or subcommittee so long as there is less than a quorum.

Mr. Dinell commented that calling it an investigative task force might give it a little more weight. As far as the Sunshine Law, as long as the subcommittee has a charter duty for a specific reason there is no need to post the meetings. But the task force would need to report back to the full Authority. There are three Members who volunteered and Vice Chairperson Kimura needs to name who the Members are.

Vice Chairperson Kimura thought that Member Timson would probably want to be on that task force.

Member Souza agreed.

Member Liu and Member Mukaigawa also volunteered.

Mr. Dinell told Vice Chairperson Kimura that he needed to name the Members and tell them what their charge was.

Member Liu stated that the task force's charge would be to meet with the Mayor and impress upon him the urgency of the situation and express the Authority's desire for HPD to collaborate at the working level on an overall plan and in the interim, enforce the code as it stands.

Vice Chairperson Kimura named the Members of the investigative task force. They are: Members Enomoto, Liu, Mukaigawa, Okada, Souza, and Timson. The task force is charged to: meet with the Mayor and impress on the Mayor and the City Council the importance of action with regard to illegal activities along the Kalaeloa shoreline.

Member Liu added it should be completed before the next Authority meeting.

Member Mukaigawa asked whether the task force would meet prior to the meeting with the Mayor.

Mr. Dinell stated that staff would work with the investigative task force on a meeting.

Member Mukaigawa commented that the thought was to have a game plan and how to present it. One of the reasons why she got involved was because Hawaii realtors are looking to get involved more with the community on this issue. She is helping with this effort and thought that this might be a good way to get individual real estate companies to step up and volunteer.

Member Piper strongly urged the staff to consider when drafting the formal letter to the Mayor, to also include the Navy and have a copy sent to each elected official in the area because in the end, it would be a question of political will and having the various responsible parties step up.

Member Enomoto had one other question for Ms. Fukawa regarding the Navy report. In the report, it was mentioned that the BRAC PMO would be in Honolulu the week of July 23, 2007. Member Enomoto asked whether it was specific to the BRAC parcels that were going to be conveyed or whether there was going to be any discussion on the brokered lands in light of the September 30, 2008 requirement to convey or move those properties out of the Navy's hands. He asked whether there would be any discussion about the sale or anything else that she could inform the Authority about.

Ms. Fukawa replied that Ms. Tanaka requested that any questions regarding that issue be taken back to her and she would report on it at the next meeting.

Vice Chairperson Kimura asked whether there were any further questions. There were none.

C. Hawaii Public Housing Authority Status Report

Tesha Malama introduced Brian Johnson from the Hawaii Public Housing Authority (HPHA) to provide his status report.

Mr. Johnson reported that Utu Langi from the non-profit H5 moved 13 of his Roberts Hawaii buses to Kalaeloa next to buildings 48 and 50. Mr. Langi set-up a program to help the homeless and would also help the two non-profits that run the shelters there. Two smaller buses would be used to assist the two non-profits to provide transportation for residents. There was a safety concern with the buses being too close to the shelters so HPHA will cut the grass on some lands nearby to move the buses further away from the shelters to address that issue.

Kanani Bulawan from Waianae Community Outreach is continuing to work with the homeless on the beach at Kalaeloa. They were able to transition a few families into the Kalaeloa and Waianae shelters, but there is no room at the shelters and there are people that don't want to go to the shelters. The Waianae Community Outreach continues to work with these people. There is a plan for Building 36, a 72-unit barrack, to be renovated so that the homeless can move in.

With new funding from HPHA, the Waianae Community Outreach can add another team so that there will be help in the Kalaeloa area.

Member Piper questioned how many families are on the beach have not been able to be transitioned to a shelter.

Mr. Johnson replied that he did not have the exact number.

Member Piper asked whether it was many or a few.

Mr. Johnson responded that it was many; approximately 60 or 70 people.

Member Piper asked whether these people have been identified as willing to move to a shelter.

Mr. Johnson stated that there are some individuals who would be willing to go into the shelters and there are those who don't want to go into a facility with rules. Some of these people are substance abusers. Ms. Bulawan from Waianae Community Outreach works with these people and tells them that Waianae Community Outreach will work with them in getting them into a program. There are different ways to attack those issues with those people.

Member Piper commented that there are 60 to 70 people who don't have a place to go to and asked whether there were other people aside from this number that make up the total number of people on the beach.

Mr. Johnson replied that he would have to ask Waianae Community Outreach officials for a number.

Member Saito commented that he has been involved with the Onelauena shelter.

Member Souza asked Mr. Johnson whether he had been to White Plains Beach.

Mr. Johnson responded affirmatively and stated it was about three weeks ago.

Member Souza asked Mr. Johnson how many people he estimated lived there. She also mentioned that there was an altercation at Onelauena and asked whether he was aware of that.

Mr. Johnson replied that he didn't know the specifics, but he did hear of a certain incident.

Member Souza stated that she would like him to investigate. She was told that someone was threatening to kill a family and people were trying to get into the building, but it was locked and there was nobody there to open the door. It was reported to her, and she understood it to be an exaggeration, that there were 40 police officers that arrived at the scene. Member Souza understood that the resident got evicted. Her concern was that during the altercation on the third floor, the police used pepper spray, and it affected the entire floor and a lot of people became sick. Member Souza expressed her concern that there has not been a lockdown procedure in case of incidents such as these. She wondered whether there were any procedures in place to deal with emergencies.

Mr. Johnson stated that he would talk to the provider about the incident. He commented that each non-profit provider that runs a shelter has to have a plan.

Member Souza stated for the record that up until this incident she has never heard anything but praise for the shelter. She would like for someone to ensure that there are proper lockdown procedures in place for emergency situations, and commented that it was unacceptable to have an entire floor affected by pepper spray.

Vice Chairperson Kimura asked whether there were any further questions on Kalaeloa. There were none.

Mr. Johnson reported that for the Kakaako Next Step shelter he had talked to OHA about a timeline. In talking with the shelter provider, HPHA has determined that the shelter would be ready for transition in May or June 2008. The non-profit agency that has been running the shelter has stopped taking in any more homeless. They are now working on transitioning the families out. By June 2008, there might be only individuals left who are hard to place in public housing because they are more likely to have problems with substance abuse or mental illness. HPHA is planning for another shelter facility for these remaining people to move into. There is no specific location, but they are working on it and have some places in mind. Mr. Johnson asked whether June 2008 would be okay to vacate the facility.

Mr. Dinell reiterated that the agreement that HCDA has with HPHA is a month-to-month agreement. The original commitment was until March 2007. Later on the agenda, there is a request by OHA to extend the exclusive negotiations. Mr. Dinell understood that May or June 2008 works for OHA. He asked what HPHA's Plan B was in the event everyone could not be relocated by that date or there is no other facility.

Mr. Johnson stated that the facility solution is moving along quickly and that hopefully it would be in place if they have to move out sooner. He would keep the Authority updated on that status and would also provide a number of residents at the shelter. There used to be 299 residents in the Next Step Shelter and it is down to approximately 200.

Vice Chairperson Kimura commented that Building 36 would have 72 units, and asked when that would be available.

Mr. Johnson responded that he was not sure, but perhaps Member Saito could answer that question.

Member Saito stated that the problem with Building 36 is that it is a BRAC parcel. The building was originally transferred to the University of Hawaii (UH) so it went to the U.S. Department of Education. Since the building was transferred for educational purposes, it had to go back to the federal

government for legal review. Although there is no actual title transfer yet, the State has access to the site and the State has to conduct due diligence on the environmental requirements. Construction should start in about a month.

Vice Chairperson Kimura commented that would be good.

Member Saito commented that the building use to be an officer barracks with individual units. It is located across from the veteran's homeless shelter as well.

Ms. Malama clarified that Building 36 is part of the scheduled discussion when the BRAC PMO is in Honolulu according to Chancellor Pederson of UH. There is a Deputy Attorney General working on the forms. Once they have the proper documents, the BRAC PMO staff has mentioned that it would turn it over to the Local Reuse Authority (LRA), which is HCDA, and there is discussion to enter into a lease.

Vice Chairperson Kimura asked whether there were any further questions. There were none.

II. ITEMS FOR ACTION – DISCUSSION/DECISION-MAKING - CONTINUATION

4. Selection Process for a New Executive Director

Daniel Dinell provided the research for the Action Item distributed to the Authority.

Mr. Dinell was tasked with developing a selection process for consideration by the Authority. He covered the following: 1) the statutory authority and responsibility of the Board; 2) a proposed course of action on how to handle the search process; and 3) a schedule.

Mr. Dinell approached the task with the objective of setting forth a process that would attract the best-qualified individual to lead the staff and implement the policies of the Authority.

Mr. Dinell explained that Pursuant to HRS 206E-3(c), the appointment of the HCDA Executive Director is an Authority decision. It would be the Authority's decision as to who to hire and how to handle the procedures to make that decision. While Civil Service rules and procedures do not apply, the State is an equal opportunity employer, and the selection process must comply with applicable federal and state employment laws.

With regard to process, after considering alternatives, Mr. Dinell recommended the Authority consider retaining the services of an executive search consultant for the following reasons:

1. The consultant would work with the Authority to develop candidate criteria and interview questions based on the position description and a candidate profile;
2. The consultant would be able to proactively recruit candidates, some of whom may not otherwise consider the position or respond to an ad in the newspaper;
3. The consultant would act as an unbiased party to receive resumes, screen applicants, conduct reference and background checks;
4. The consultant would handle all administrative aspects of the search such as design of recruitment announcement, processing applications, interacting with applicants including acknowledging receipt of applications, scheduling interviews, and thanking all candidates; and
5. The consultant would provide helpful advice and counsel to the Authority.

Mr. Dinell received proposals from the three largest recruitment firms in Honolulu and concluded that such a contract would not exceed \$25,000 and thus, would be considered a “small purchase” under State procurement law. Funds are available in the HCDA revolving fund.

A proposed schedule was attached in the Members’ packets. After the Authority’s action on the process, the next step would be to place an advertisement in Honolulu’s major newspapers on Sunday, July 8, 2007. Notices would also be posted on the HCDA website, sent through the State’s government position posting system, and various professional organizations such as the Hawaii Chapters of the Urban Land Institute and the American Planning Association. The ad with the Honolulu Advertiser includes CareerBuilder.com, the largest online job site in the United States. Assuming that the ad is posted on Sunday, July 8, the deadline for application is proposed as July 30, 2007, giving over three weeks for interested candidates to apply. Staff is also preparing a press release to media statewide as another form of communication about the opening.

As part of the process, a questionnaire would be sent to all Authority Members with a deadline to respond prior to the end of July. The purpose of the survey is to identify the characteristics/personal traits and

qualifications/experience of the new Executive Director that the Authority Members are looking for.

Such a survey should include key questions such as: “What is the most immediate challenge or issue that the new Executive Director will need to handle?” The survey should also allow for additional comments by Members. Mr. Dinell explained that if retaining a consultant was approved, these surveys will then be compiled and analyzed by the search consultant. The result will be a preferred candidate profile that would be shared with all Members in Executive Session on August 1, 2007, along with a review of a matrix of preferred traits.

The existing Executive Director’s position description is included in Members’ packets. It was felt that no matter what specific characteristics are desired, the minimum of five years managerial experience; experience in land use planning/zoning or development; familiarity with public administration; a college education in certain fields or equivalent would be required coupled with strong oral/written and communication skills. Those are the basic minimum qualifications for the position.

As part of the process, a Search Committee of the Authority is proposed. The Committee would be named by the Chairperson. Their charge would be to use the Authority’s candidate profile and work with the executive search consultant on completing interviews of candidates and making a recommendation to the Authority.

Mr. Dinell concluded without making a recommendation since it was the Authority’s decision. His task was to research the process that would result in the best possible candidate being identified for the Executive Director position.

Mr. Dinell noted that to comply with the Sunshine Law, the schedule should show the need for one meeting between the recommendation of the Search Committee to the Authority and then Authority action; that was omitted from the schedule. Also not reflected is the probability of a Special Meeting in September should the candidate be selected by then.

While the August meeting will be his last, Mr. Dinell thanked Chairperson Goshi and Member Liu for trusting him with this assignment. He could think of no greater responsibility of the Authority appointing the next Executive Director.

Mr. Dinell encouraged the Members to discuss the proposed course of action and he would be available to answer any questions that Members may have.

Member Liu proposed a motion that the Executive Director be authorized to expend up to \$25,000 from the leasing and management sub-account of the HCDA Revolving Fund to retain the services of an outside professional executive recruitment firm and to conduct the search along the lines of what the Executive Director proposed. Member Enomoto seconded the motion. Vice Chairperson Kimura asked Members whether they had any questions.

Member Okimoto commented that the write-up mentioned that the firm would proactively recruit candidates, but also stated that the firm would be an unbiased party. He didn't see how the firm could be an unbiased party to screen the applicants if they were to recruit them also.

Mr. Dinell replied that the recruitment firm would be unbiased because they would be compensated for doing the search and the position would also be publicly advertised. The added value is for the recruitment firm to identify others who fit the profile that the Authority is seeking and then encouraging them to apply. The recruitment firm doesn't make the choice; they just bring the candidates to the Authority. The proposed Search Committee would then go through and discuss the various candidates.

Member Okimoto commented that because the consultants would screen the applicants and provide information, he expressed his concern whether they would remain unbiased.

Mr. Dinell stated that they would have no interest in placing a particular individual. The proposed Search Committee would ask the recruiter to see all the resumes of everyone who applied and explain why certain candidates are not qualified, which candidates may be qualified, and finally, the candidates who would be recommended for interviews. So the Search Committee would have access to all the information.

Member Liu stated that he understood Member Okimoto's point. He added that there may be instances where there are candidates and on the Authority's behalf approach candidates because they fit the criteria. The recruitment firm would tell the Search Committee when they present the names, whether the applicant was directly approached and whether there was a conflict of interest. These are professional third party firms, so they would disclose whether there was a conflict and the Authority would be able to consider that. The Authority would be able to see which applicants were approached on behalf of the Authority.

Member Saito commented that for small purchases the ceiling was raised from \$25,000 to \$50,000. All small procurements have to be done through the

procurement system. Whoever hires the consultant makes sure that this is taken into consideration.

Member Piper questioned whether there was contemplation of expanding the survey of skill sets of the Executive Director to others in the working group or whether that was the responsibility of the Authority. The reason why he asked was because there are a lot of stakeholders and for the push to incorporate them into the planning process. He didn't know whether the rules would allow input from others beside the Authority. But he thought that it should be taken into consideration because a lot of people have an interest and would be working closely with the next Executive Director.

Mr. Dinell replied that he would defer that to the Authority if that is what the Authority decides to do. The search consultant could be given that additional instruction.

Member Saito commented that he wanted to move quickly and thought that putting a definition on skill sets were beyond what was necessary. Typically, the job description is sufficient. He didn't want to spend another two months to come up with another set of skills. Member Saito stated that he would like to move as quickly as possible.

Mr. Dinell stated that the proposed questionnaire would have questions such as: strong management and leadership; ability to work with different constituencies; knowledge of government processes; good negotiator; and consider staff development a priority. These are the kinds of qualifications for consideration in creating a profile.

Member Saito questioned what else would need to be added.

Member Piper stated that his point was if the parties of interest could participate then the Authority should do so. But if there is a deadline, then it can't be done.

Member Saito commented that even if everything was set, the process would take a while and his concern was that the legislative session starts in January and he didn't want to start the session without an Executive Director in place.

Member Okada echoed what Member Piper said. He commented that there has been distrust of HCDA and distrust of the Authority. The problem is the community doesn't trust HCDA, so he doesn't want to rush into it. Member Okada understands about having someone in place as soon as possible, but he didn't want a new replacement that people didn't like.

Member Saito stated that the issue was job skills and the job description. The Authority would hire a consultant so there shouldn't be any distrust.

Member Lai asked Member Okada what he would suggest because he also wanted to act quickly. He asked Member Okada if there was something that he had in mind for the job description of the Executive Director that was specific to the problems of the community. Member Lai didn't see how the job description of the Executive Director would be an issue with the community. He asked Member Okada if he had more information and to share it with the Members.

Member Okada stated that it was perception. He didn't have a solution, but thought about surveying the staff for their opinion. He didn't want to be in a position where HCDA is constantly fighting with the community. Member Okada understood the need to have someone in place right away, but he didn't want to rush it.

Member Piper stated that he didn't have specifics as well. But given the timeframe, if there was a way to incorporate soliciting the input, he would be for it. If that would stall the process, then he would understand the necessity of moving forward. But as Member Okada stated, it would be important to try to incorporate the interest of the stakeholders if possible.

Member Liu commented that the position description is what it is. There is nothing that can be done about it, unless a request is made through the Department of Human Resources Development to alter the description. None of the input would change the description. The reason for the survey was to facilitate getting the Authority's view to add more color to the position description. Member Liu stated that there might be some technical limitations if it went beyond the Authority, of who to send it to and others would complain that they were not included. He recommended keeping the survey to the Authority. But he would also recommend that somewhere on HCDA's website where people could submit their comments and then make it available to the Authority Members and that would be the data point for the Authority to consider. Everyone has the position description, there would be recommendations from the recruitment firm and there would be a summary of how each Authority Member feels in terms of the additional color and then any public input. It would be voluntary, so it wouldn't be sent to anybody. Staff would compile the additional data and the Authority would consider it when it makes its decision.

Mr. Dinell noted that HCDA signed up for an online survey tool called “Zoomerang,” which is used for the Executive Director’s performance review. This tool could be used to do what Member Liu suggested.

Member Liu stated that he would like that because different people contact Members individually. If it were centralized all the same information would come into HCDA.

Vice Chairperson Kimura asked whether there was anyone from the audience who wished to make a statement. There were none. There being no further discussion Vice Chairperson Kimura reminded the Members that there was a motion on the table to adopt Member Liu’s recommendation and called for a vote.

Member Saito asked for the motion to adopt the recommendation.

Member Mukaigawa asked whether there was an amendment to raise the amount to \$50,000.

Member Liu stated that the bids the staff received from the three largest recruitment firms in the State were all under \$25,000 so it should be fine with that amount.

The motion passed 12 to 0 with 0 excused.

Before proceeding, Vice Chairperson Kimura named the Search Committee. The task of the Committee is to make recommendations to the Authority as to the new Executive Director. Since HCDA is attached to DBEDT, it would be appropriate and prudent for Member Liu to Chair the Committee. Joining Member Liu on the Committee would be: all HCDA officers – Chairperson Goshi, Secretary Lai and Vice Chairperson Kimura. Kay Mukaigawa would represent the at-large Members; Maeda Timson would represent the Kalaeloa Members, and Members Kawamura and Kane, or their designees, as they are at-large and Kalaeloa ex-officio Members respectively.

All members would receive a survey so a preferred candidate profile could be developed. Members would receive timely updates by the Search Committee. Vice Chairperson Kimura stated that he had full confidence that the Search Committee would do its best to find the best candidate for the Authority to select a new Executive Director, and also believed that the eight members are representative of the Authority as a whole. Vice Chairperson Kimura asked whether there were any discussion or comment.

Member Saito asked how many members are there in total.

Mr. Dinell replied that there were 18.

Vice Chairperson Kimura asked whether there were any further comments or discussion. There were none.

Vice Chairperson Kimura called for a recess at 10:54 a.m. to allow the Kalaeloa Members (Members Chinn, Enomoto and Souza) to depart, as the remaining agenda items were Kakaako-related.

Vice Chairperson Kimura reconvened the meeting at 10:59 a.m.

Vice Chairperson Kimura stated that since the meeting might run long and some Members may need to leave, which might cause quorum problems; he suggested taking the sequence of the agenda out of order. Items numbered six and seven would be taken first. Those issues relate to the findings of the Small Business Task Force and the Draft Mauka Area Plan.

Member Okada recused himself from the next two items of the meeting.

Vice Chairperson Kimura also recused himself from the next two items of the meeting and turned the gavel over to Member Lai to conduct this portion of the meeting.

Secretary Lai announced the next item for action.

II. ITEMS FOR ACTION – DISCUSSION AND/OR DECISION MAKING CONTINUATION

6. Adopt the Small Business Task Force Finding and Recommendations and Authorize the Executive Director to Implement the Recommendations

Deepak Neupane summarized the Action Item distributed to the Authority concerning this matter.

Mr. Neupane explained that in June 2007, staff presented the Recommendations of the Small Business Task Force to the Authority. The recommendations covered Improvement District assessment, density, height and parking within central Kakaako, and establishment of a Small Lot Development Resource Center within HCDA.

The recommendations regarding the density, height and parking requirements are integral parts of the Mauka Area Plan and would be addressed through the Mauka Area Plan and Rule revision process. The recommendation on Improvement District (ID) assessment would be implemented when a new ID

project is planned in the future. IDs that include landowner assessments require two public hearings and Authority review. The recommendation on establishing a Small Lot Development Resource Center would require committing staff and resources and, assuming no new resources are needed, implementation could occur without further Authority action.

Mr. Neupane stated that staff recommended accepting the Small Business Task Force Findings and Recommendations and to authorize the Executive Director to implement the recommendations.

Secretary Lai asked for a motion to adopt staff's recommendation. Member Mukaigawa moved to approve staff's recommendation. Member Piper seconded the motion. Secretary Lai asked Members whether they had any questions. There were none.

Secretary Lai asked whether anyone from the audience wished to make a comment on the matter. There were none. There being no further discussion Secretary Lai reminded the Members that there was a motion on the table to adopt staff's recommendation and called for a vote. The motion carried 7 to 0 with 2 recused (Members Kimura and Okada) and excluding Kalaeloa Members.

7. Approval to Authorize the Executive Director to Assess the Draft Kakaako Community Development District Mauka Area Plan and Rules Pursuant to Chapter 343, Hawaii Revised Statutes

Deepak Neupane summarized the Action Item distributed to the Authority concerning this matter.

Mr. Neupane explained that over the past year, staff had been working on a comprehensive review and revision of the plan and rules governing the Mauka portion of the Kakaako District. With the participation and input from Kakaako stakeholders, government agencies, general public, and the Authority, staff completed a working draft of the Plan.

The Draft Mauka Area Plan was presented to the Authority Members and public at an Authority Workshop on May 25, 2007. The Plan was also presented to the public at a community open house held on the evening of June 19, 2007.

The Draft Mauka Area Plan was developed around key "Smart Growth" principles. The Plan promotes mixed-use neighborhoods, establishes better connection with surrounding districts, and calls for a pedestrian-friendly urban

village in Kakaako. A copy of the draft Plan and an executive summary was included in the Members' packets. The draft Plan would be circulated for public review and comment during the Supplemental Environmental Impact Statement (SEIS) preparation process. It is anticipated that revisions and adjustments to this draft will be made through the SEIS process.

Mr. Neupane stated that the staff is recommending approval to assess the Draft Kakaako Community Development District Mauka Area Plan pursuant to Chapter 343, Hawaii Revised Statutes.

Secretary Lai asked for a motion to adopt staff's recommendation. Member Piper moved to approve staff's recommendation. Member Saito seconded the motion. Secretary Lai asked Members whether they had any questions.

Member Liu asked what does approval to assess mean.

Mr. Dinell replied that it is basically taking the draft Plan and assessing the impacts of the Plan.

Mr. Neupane added that it would start the Supplemental Environmental Impact Statement (SEIS) process.

Member Liu asked whether that is a term used.

Mr. Neupane replied that it is part of the process to adopt the Plan.

Member Liu asked what would be the result of the assessment and whether a recommendation would be made.

Mr. Neupane responded that the result would be the environmental impact statement of the Plan.

Member Liu questioned whether at the end of the assessment staff would come back to the Authority with a recommendation.

Mr. Neupane replied that staff would then recommend adopting the Plan and Rules.

Member Liu asked what the timeframe would be.

Mr. Neupane responded that the draft SEIS would be out by January 2008 and the final rule making would be around May or June 2008.

Member Liu asked whether that is why Mr. Neupane referenced approximately 12 months, and after that staff would come back to the Authority with a recommendation.

Mr. Neupane stated that staff would come back to the Authority with the final Plans and Rules. The Administrative Rules would have to go through the public hearing process before being adopted by the Authority.

Member Liu asked whether there would be interim reports.

Mr. Neupane replied in the affirmative.

Member Piper questioned the amount to not exceed one million dollars and asked whether there was an actual estimated cost.

Mr. Neupane responded that the contract amount was around \$849,000 for the Plan itself and an added scope was for urban design evaluation for around \$75,000 so the total contracted cost is around \$925,000.

Secretary Lai asked whether anyone from the audience wished to make a comment on the matter.

Christine Kaneshiro from the audience asked what steps would be taken on the property tax issue in the revised Mauka Rules. She commented that HCDA was going to work with the City on the increase of property tax issued due to the proposed increase in Floor Area Ratio (FAR).

Secretary Lai explained that it was not a time to ask questions, but to comment.

Mr. Dinell stated that Ms. Kaneshiro could work with the staff on that particular question and reminded her that property tax is not in the purview of HCDA, but in the purview of the City and County of Honolulu.

There being no further discussion Secretary Lai reminded the Members that there was a motion on the table to adopt staff's recommendation and called for a vote. The motion carried 7 to 0 with 2 recused (Members Kimura and Okada) and excluding Kalaeloa Members.

Secretary Lai called for a recess at 11:11 a.m. to allow Members Kimura and Okada to rejoin the meeting.

Members Kimura and Okada reentered the meeting at 11:12 a.m.

Secretary Lai handed the meeting over to Vice Chairperson Kimura who reconvened the meeting at 11:12 a.m.

IV. ITEMS FOR INFORMATION - CONTINUATION

D. Subcommittee Report on Kewalo Basin Administrative Rules

Richard Kuitunen summarized the Information Item distributed to the Authority concerning this matter.

Mr. Kuitunen reported that at the June 6, 2007 Authority meeting, the Chairperson appointed a subcommittee comprised of Authority Members Bradley, Chun, Kawamura (designee Piper), Lai and Goshi. The subcommittee was charged to work with Kewalo Ocean Activities (KOA), which is the representative group of approximately 90 percent of the tenants at Kewalo Basin, in regards to the draft of the proposed Kewalo Basin Administrative Rules.

The subcommittee met with KOA representatives on June 14 and June 27, 2007, to discuss the outstanding issues.

Staff also presented HCDA's request to recommend a public hearing to the Small Business Regulatory Review Board (SBRRB) on June 20, 2007. The position of HCDA based on the Deputy Attorney General's advice was that the Public Hearing could proceed without the SBRRB recommendation and HCDA had already received the approval of the Governor prior to the first Public Hearing.

Staff advised the board that HCDA's Deputy Attorney General believed that the Governor's approval for another hearing was not necessary since the hearing addressed those issues raised from the earlier Public Hearing. However, in the interest of an open and transparent process and to assure that the public had adequate opportunity to review the proposed rules, it was decided to bring the issue before the SBRRB again. The SBRRB deferred the item, but urged HCDA to proceed with publication for public hearing on August 1, 2007.

The SBRRB noted that KOA and HCDA made progress on the rules and requested that HCDA reappear at its July 18, 2007 meeting and update them on the progress. At that time, the SBRRB would make a recommendation to the Governor. The recommendation would be received by the Governor prior to the scheduled August 1, 2007 Public Hearing.

KOA also submitted a request for an opinion by the Attorney General's office relative to jurisdictional questions. Staff submitted that request and is awaiting an opinion. It has been the position of the State that in Act 86 (1990), the property was transferred to HCDA without any limitations. HCDA continues to have the rights to exert jurisdiction of the property.

The outstanding issues between KOA and HCDA were summarized in the Members' packet. The major items that remain in disagreement include:

1. Two-tiered rate system. The existing tenants remain at the lower tier until there is major renovation to the piers at which point the tenants enjoying the benefits of the improved pier could pay the higher rate. The rules have been revised to make it clear that higher tier applies to Piers B, C and Herringbone or any extended pier as a result from the improvements in the area.
2. Payment of permit premium. The rate has been revised and the final rules have been revised to follow DLNR's transfer fee provisions. DOT does not have a transfer fee nor does it allow for sale or transfer of slip rights. Tenants have been allowed to do it in the past by way of selling the stock in the corporation.
3. Restriction to commercial use only. Since 2005, HCDA has discussed that Kewalo Basin be a mixed-use harbor allowing pleasure craft in addition to commercial uses. KOA recently raised an objection to have the harbor remain in commercial use only. It has been the position of HCDA for the use and benefit of the public and for the full utilization, especially the improved harbor slips that mixed-use be allowed, including pleasure crafts.

The subcommittee and KOA discussed that there may be items that there would not be complete agreement on. In that case, there would be agreement to disagree.

Mr. Kuitunen asked whether the subcommittee members had anything further to add.

Member Saito asked whether the subcommittee met with KOA before or after the SBRRB meeting.

Mr. Kuitunen responded that when staff attended the SBRRB meeting some of the changes had already been made; other issues were still in discussion. The subcommittee met with KOA prior to and after the SBRRB meeting. As the

follow-up meeting after the SBRRB meeting, HCDA and KOA came to some further conclusions and understandings of the issues.

Member Saito asked whether SBRRB had established a position on each of the remaining items.

Mr. Kuitunen remarked that the SBRRB have not advised HCDA of any additional changes that they would like to see made.

Member Liu stated that the SBRRB would have a position. The SBRRB intends to hold another hearing on July 18, 2007, at which time they will make a recommendation and it would be sent to the Governor prior to the Public Hearing.

Member Saito asked whether that was a public hearing.

Mr. Kuitunen responded that all its meetings are public.

Member Saito asked whether the tenants would be able to participate.

Member Liu replied in the affirmative.

Member Piper summarized the chart by stating that HCDA has met with KOA and there are only two areas on the chart that remain in disagreement and the others are all in agreement. He was looking at the payment of permit premium as a condition of transfer.

Mr. Kuitunen replied that at the time staff first met with KOA, the formula that the fee being the difference between the appraised value of the boat and business less the sales price.

Member Piper stated that he didn't want to get into the details, but just wanted to know whether that issue was in disagreement.

Mr. Kuitunen responded that at the last meeting, there was suggestion by the KOA representatives to follow the DLNR transfer fee schedule and that is what the current version of the rules has in place.

Member Piper asked whether the Kewalo Basin restriction of commercial use was again an area of disagreement, and asked whether those were the only two areas that are currently in disagreement.

Mr. Dinell remarked that those were the major areas.

Vice Chairperson Kimura asked whether anyone from the audience wished to make a comment on the matter.

Frank Mento, representing KOA, commented that there were three areas that they are in disagreement on: 1) the two tiered rate; 2) permit transfer premium although a suggestion was made, KOA was not in agreement with any part of the premium; and 3) KOA believes that Kewalo Basin should be for commercial use only for safety reasons. Mr. Mento asked that whether there was an opinion that could substantiate that HCDA could proceed to a public hearing without the Governor's approval.

Mr. Dinell suggested that Mr. Mento meet with the Deputy Attorney General to discuss that issue. He also clarified that the Governor approved the Public Hearing in January 2007, for the Public Hearing held in March 2007. Since HCDA is still continuing the Public Hearing process, the Governor has approved.

Mr. Mento stated that he understood that. He rephrased the question. He was not sure whether there were substantive changes that would require another approval.

Mr. Dinell replied that Mr. Mento should discuss it with the Deputy Attorney General.

Member Piper thanked not only the Chairperson and the subcommittee, but also the owners and operators at Kewalo Basin. He believed that the Authority was doing its best to push ahead and find common ground. In his personal experience of trying to work together, he thought that the tone changed. Member Piper thanked everyone for coming to the table and trying to push through on the areas of concern.

Mr. Mento also thanked Member Piper for the opportunity of open dialogue, as it was helpful to KOA as well.

Mike DeRego, also from KOA, commented that the last presentation or e-mail that they received from the Authority, there were some changes in the rules relating to the priorities and assigning berths issue in Section 15-212-25 in the last sentence that states, "Exceptions to the above priorities may be made when determined by the executive director to be in the best interest of Kewalo Basin operations and tenant mix." It appeared to KOA that the Executive Director could move anyone to anywhere at anytime that he choose. KOA would not agree to that.

Lawrence Chun, from the audience, wanted to make a correction to his testimony. In the last paragraph it says, “regarding HCDA’s administration of Kewalo,” it should have stated Kakaako. He enclosed his letter to the editor with his testimony. Mr. Chun explained that he is a former DOT Deputy Director and met with the Kewalo Basin tenants 35 years ago. At the time, their strongest arguments were that if DOT raised the rents by five percent, they would go out of business. The point he wanted to make was that the argument is really not valid. He used the comparison of the hotel room tax. The loss of business was temporary, but the improvements resulting from the revenues resulted in a better product for the tourist. The additional revenues could allow HCDA to enhance Kewalo for the tenants and the public. Kewalo tenants should pay fair market value, if they can’t pay fair market value and they go out of business, they should go out of business, the state should not subsidize businesses. Regarding HCDA’s administration of Kakaako, as few constraints as possible should be placed on the management. The issue should be public benefit.

Vice Chairperson Kimura asked whether there were any other comments. There were none.

II. ITEMS FOR ACTION – DISCUSSION AND/OR DECISION MAKING CONTINUATION

8. Approval to Authorize the Executive Director to Extend the Agreement to Exclusively Negotiate with the Office of Hawaiian Affairs for Lot 1 of the Kakaako Makai Area for the Development of its Headquarters and a Hawaiian Cultural Center

Deepak Neupane summarized the Action Item distributed to the Authority concerning this matter.

Mr. Neupane explained that in January 2007, the Authority approved extending the Exclusive Negotiations Agreement with the Office of Hawaiian Affairs (OHA) for Lot 1 until July 5, 2007.

Staff has been negotiating the Development and Lease Agreement with OHA and has reached substantive agreement on key points on the Development Agreement. However, more negotiations are required on the lease terms.

OHA has continued with due diligence on the site and has:

1. Completed an ALTA/ASCM survey for the property;

2. Conducted the shoreline boundary certification;
3. Obtained a Special Management Area permit for on-site work;
4. Collected subsurface soil samples for geotechnical and environmental analysis;
5. Completed a Phase I environmental analysis for the site;
6. Completed a traffic impact analysis; and
7. Started assembling a draft environmental assessment for the site.

OHA is requesting another seven month extension of the timeframe for exclusive negotiations.

Dr. Jonathan Scheuer, Director of the Land Management Division for OHA, was available to address any questions that the Authority had regarding the negotiations.

Member Okimoto asked whether OHA had funding to do the whole project.

Dr. Scheuer responded that OHA could borrow the money. OHA was unsuccessful in the past legislative session in obtaining a 50/50 mixture of state general funds and OHA funds to construct the building. Instead the Legislature wanted OHA to fully fund the project. OHA appreciated HCDA's supportive testimony. OHA intends to return to the Legislature to try to obtain matching funds.

Member Chang questioned how long it would take to complete the building.

Dr. Scheuer replied that it would probably take six to nine months in the zoning phase after that they would be able to get a sense of how long it would actually take.

Member Chang recalled that the project would not only be for the Hawaiians to use, but also open to the community. She asked what was being offered to the community at-large.

Dr. Scheuer responded that one of the primary goals for the site is for the OHA offices. There is also a design for a community and cultural center. The community would be invited to attend events and partake in activities so it is not to be exclusively for Hawaiians. The focus would be on native Hawaiian culture.

Member Saito asked whether it was OHA's intent to not expend any funds until the end of the legislative session when a decision would be made regarding the funding.

Dr. Scheuer replied that OHA intends to spend the funds on the design phase rather than wait for the Legislature and would continue to work on obtaining additional capital funds.

Member Okimoto asked whether OHA planned to float 100 percent of the bonds to finance 100 percent of the project if OHA did not obtain 50 percent of the funding from the Legislature. In other words, would OHA be prepared to fund it all themselves.

Dr. Scheuer responded that OHA would explore that path, but it could also involve design changes to make the project more feasible. OHA would find a way to make it work.

Member Liu asked what would be the range of the total cost of the project.

Dr. Scheuer replied that it would be approximately \$50 - \$60 million.

Member Liu asked whether that was the complete build out.

Dr. Scheuer replied in the affirmative and added that it would also incorporate some of the equipment costs and occupancy costs.

Member Chang questioned whether that figure also included the land cost or obtaining the land or was it just the construction of the building.

Dr. Scheuer responded just for construction.

Member Okada asked whether OHA made a presentation to the Kakaako Makai Advisory Working Group (AWG).

Dr. Scheuer replied that he actually serves as OHA's representative on the Kakaako Makai AWG. But so far the meetings have been focused on the internal organization of the AWG. When the group is ready to hear a presentation from OHA, they would be happy to make a presentation.

Member Okada commented that some people in the AWG don't know about the OHA project, but he is familiar with it. He would hate for them to be surprised about it later.

Dr. Scheuer thanked Member Okada for the suggestion and stated that they would make a presentation.

Member Piper commented that HPHA stated that they needed the space until June 2008 and asked whether the timeframe was acceptable to OHA.

Dr. Scheuer stated that at this point it appeared to be a fairly reasonable timeframe for OHA to work with. It would be dependent on finalizing the plans and entering into the design phase of the facility. They would know more as the project progressed.

Member Lai questioned whether it was a possibility that OHA would extend the negotiation period if there were further delays.

Dr. Scheuer replied that it would be possible, but once OHA is in the design phase and ready to construct, there would be some urgency to move expeditiously because of escalating construction costs.

Member Saito asked whether there was a way to do month-to-month lease until June 2008.

Dr. Scheuer replied that would be acceptable.

Vice Chairperson Kimura asked Mr. Neupane to state the staff's recommendation.

Mr. Neupane stated that staff recommends approval to authorize the Executive Director to extend the agreement with the Office of Hawaiian Affairs for exclusive negotiations until January 31, 2008, for the leasing of Lot 1 of the Kakaako Makai Area for the development of its headquarters and a Hawaiian Cultural Center.

Vice Chairperson Kimura asked for a motion to adopt staff's recommendation. Member Saito moved to approve staff's recommendation. Member Lai seconded the motion. Vice Chairperson Kimura asked Members whether they had any questions.

Member Liu asked whether OHA was aware that the headquarters would be next to a container-handling yard that intends to stay there forever.

Dr. Scheuer replied that OHA was aware of the constraints of the site.

Mr. Dinell summarized some of the questions and discussion. The two main issues were for OHA to make a good faith effort with the AWG and the other was for OHA to work closely with the HPHA on the June 2008 date.

Vice Chairperson Kimura asked whether anyone from the audience wished to make a comment on the matter.

Jack Hamada from the audience requested that the agreement be terminated because the Advisory Working Group has not been formed. The group has yet to set up their rules. After the group is set, then they could take into consideration the general master plan for the entire Mauka and Makai area. Since there is an Advisory Working Group, they should be used. Also in the meantime, since there would be no Director in place, it doesn't make sense to proceed. OHA can always apply later if they don't have their funding now. If the State has to pay 50/50, they would be spending everyone's tax dollars for the project.

There being no further discussion Vice Chairperson Kimura reminded the Members that there was a motion on the table to adopt staff's recommendation and called for a vote. The motion carried 9 to 0 and excluding Kalaeloa Members.

VI. EXECUTIVE SESSION

Vice Chairperson Kimura asked for a motion to enter into Executive Session to discuss the following item:

Review the Status of the Lawsuit, including possible Mediation Action, in the Matter of the American Brewery Building, Honuakaha Housing Complex, Pursuant to Sections 92-5(a)(4) and (8), Hawaii Revised Statutes, to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities; and to deliberate or make a decision upon a matter that requires the consideration of information that must be kept confidential pursuant to a state or federal law, or a court order.

Vice Chairperson requested that Deputy Attorney General Melvin Nishimoto, Special Deputy Attorney Generals David Louie and Jennifer Lyons, and Executive Director Daniel Dinell and Richard Kuitunen join in the Executive Session discussion.

It was moved by Member Piper and seconded by Member Liu to enter into Executive Session. The motion carried 9 to 0 with 0 excused and excluding Kalaeloa Members. Member Liu departed the meeting at this time.

The Hawaii Community Development Authority entered into Executive Session at 11:42 a.m.

Lunch was served as an integral part of the meeting during the Executive Session discussion.

It was moved by Member Chang and seconded by Member Lai to reconvene the regular meeting. The motion was carried 8 to 0 with 1 excused (Member Liu) and excluding the Kalaeloa Members.

The meeting was reconvened at 12:41 a.m.

Vice Chairperson Kimura asked whether there were any other matters to be brought before the Authority. There were none.

VII. ADJOURNMENT

There being no further business, it was moved by Member Piper and seconded by Member Chang to adjourn the meeting at 12:42 p.m. The motion passed 8 to 0 with 1 excused (Member Liu) and excluding the Kalaeloa Members.

Respectfully submitted,

/s/

Jonathan Lai
Secretary